Repatriation of funds by FIIs

2315. SHRI LALITBHAI MEHTA :
SHRIMATI SAVITA SHARDA :

Will the Minister of FINANCE be pleased to state :

(a) the Foreign Institutional Investment made during 1997-98 to 2000-2001 monitoring done to prevent Institutional Investors to repatriate funds in their respective country;

(b) how much funds have been allowed to be repatriated to FIIs during 1998-99, 1999-2000 and 2000-2001 and upto 30th September 2001;

(c) whether going down of a rupee against dollar indicate that FIIs are playing with our capital market; and

(d) if so, what action Government propose to take to restore stability in capital market and to stablise rupee against dollar?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL) : (a) The foreign Institutional Investors (FIIs) registered with the Securities and Exchange Board of India (SEBI) are permitted to invest under the Portfolio Investments Scheme (PIS) on repatriation basis. According to the information from the Reserve Bank of India (RBI), the net investment by FIIs during 1997-98 to 2000-2001 is as follows :—

(US $ Mn.)

1997-1998	1774.1
1998-1999	(–)172.0
1999-2000	2253.6
2000-2001	2100.4

(b) According to the information from RBI, the net investment inflow/ outflow of funds by FIIs during 1998-99, 1999-2000 and 2000-2001 and upto 30th September, 2001 is as under :—

(US $ Mn.)

1997-1998	979.88 (inflow)
1998-1999	(–)389.99 (outflow)
1999-2000	2105.05 (inflow)
2000-2001	1846.72 (inflow)
April 2001 to 30-09-2001	693.88 (inflow)

(c) and (d) The day-to-day movements in exchange rates are market determined. The market is made up of end-users such as exporter inporters, FII, FDI, and variety of other participants. The market movement is determined collectively by these flows. The primary objective of the RBI in regard to the management of the exchange rate continues to be the maintenance of orderly conditions in the foreign exchange market meeting temporary supply-demand gaps, which may arise due to uncertainities or other reasons, and curbing destabilising and self-fulfilling speculative activities. In pursuance of the above objective the RBI continues to monitor closely the developments in the financial markets at home and abroad, and carefully coordinate its market operations with appropriate monetary, administrative and other measures as considered necessary from time to time.

Investment of UTI in entertainment companies

2316. SHRI LALITBHAI MEHTA :

SHRIMATI SAVITA SHARDA :

Will the Minister of FINANCE be pleased to state :

(a) the total investment made by Unit Trust of India in 17 entertainment companies as on 30th September, 2001;

(b) the market value of the shares purchased by Unit Trust of India of the above 17 companies as on 30th September 2001;

(c) the total erosion of funds in above 17 companies as on 30th September, 2001;

(d) whether it is a fact that Equity Research Cell recommended not to invest in atleast three of the above 17 companies, and

(e) it so, who took the decision to purchase, shares of those companies, which were not recommended by ERC ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL) : (a) to (e) Information is being collected and will be laid on the table of the House.